

**Information Technology Operations, Health IT and the Education Special Provisions from
the Appropriations Act of 2009**

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INFORMATION TECHNOLOGY OPERATIONS

SECTION 6.7.(a) Office of Information Technology Services Budget. – Notwithstanding G.S. 147-33.88, the Office of Information Technology Services shall develop an annual budget for review and approval by the Office of State Budget and Management in accordance with a schedule prescribed by the Director of the Office of State Budget and Management. The approved Office of Information Technology Services budget shall be included in the Governor's budget recommendations to the General Assembly.

The Office of State Budget and Management shall ensure that State agencies have an opportunity to adjust their budgets based on any rate changes proposed by the Office of Information Technology Services.

SECTION 6.7.(b) Enterprise Projects. – The State Chief Information Officer shall consult the respective State agency chief information officers to identify specific State agency requirements prior to the initiation of any enterprise project. State agency requirements shall be incorporated into any enterprise agreement signed by the State Chief Information Officer. Enterprise projects shall not exceed the participating State agencies' ability to financially support the contracts.

The State Chief Information Officer shall not enter into any information technology contracts without obtaining written agreements from participating State agencies regarding apportionment of funding. State agencies agreeing to participate in a contract shall:

- (1) Ensure that sufficient funds are budgeted to support their agreed shares of enterprise agreements throughout the life of the contract.
- (2) Transfer the agreed-upon funds to the Office of Information Technology Services in sufficient time for the Office of Information Technology Services to meet contract requirements.

SECTION 6.7.(c) Notwithstanding the cash management provisions of G.S. 147-86.11, the Office of Information Technology Services may procure information technology goods and services for periods of up to a total of three years where the terms of the procurement contract require payment of all, or a portion, of the contract purchase price at the beginning of the agreement. All of the following conditions shall be met before payment for these agreements may be disbursed:

- (1) Any advance payment complies with the Office of Information Technology Services budget.
- (2) The State Controller receives conclusive evidence that the proposed agreement would be more cost-effective than a multiyear agreement that complies with G.S. 147-86.11.
- (3) The procurement complies in all other aspects with applicable statutes and rules.
- (4) The proposed agreement contains contract terms that protect the financial interests of the State against contractor nonperformance or insolvency through the creation of escrow accounts for funds, source codes, or both, or by any other reasonable means that have legally binding effect.

The Office of State Budget and Management shall ensure the savings from any authorized agreement shall be included in the Office of Information Technology Services calculation of rates before the Office of State Budget and Management annually approves the proposed rates.

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The Office of Information Technology Services shall report to the Office of State Budget and Management on any State agency budget impacts resulting from multiyear contracts.

The Office of Information Technology Services shall submit a quarterly written report of any authorizations granted under this subsection to the **Joint Legislative Oversight Committee on Information Technology** and to the Fiscal Research Division.

SECTION 6.7.(d) State agencies developing and implementing information technology projects shall use the State infrastructure to host their projects. The State Chief Information Officer may grant an exception if the State agency can demonstrate any of the following:

- (1) Using an outside contractor would be more cost-effective for the State.
- (2) The Office of Information Technology Services does not have the technical capabilities required to host the application.
- (3) Valid security requirements preclude the use of State infrastructure, and a contractor can provide a more secure environment.

GEOGRAPHIC INFORMATION CONSOLIDATION

SECTION 6.8.(a) Findings. – The General Assembly finds that there is a critical need for consolidating the investments made in geographic information systems and developing common infrastructures in order for the State to reap all the potential benefits of geographic information systems at the lowest cost.

SECTION 6.8.(b) Implementation Plan. – The recommendations outlined in the 2008 legislative report prepared by the State Chief Information Officer, the Geographic Information Coordinating Council, and the Office of State Budget and Management, made pursuant to Section 6.13 of S.L. 2008-107, entitled "State Geographic Information Consolidation Implementation Plan," shall be implemented in four distinct work streams, as follows:

- (1) Transferring the Center for Geographic Information and Analysis to the Office of the State Chief Information Officer and establishing appropriated funding for staff activities supporting the Geographic Information Coordinating Council, statewide standards, and the coordination of data acquisition.
- (2) Reestablishing the professional services component and refocusing that effort toward current needs of the community while reducing those overhead costs.
- (3) Revitalizing the NC OneMap project by leveraging new technology in the market to reduce costs while increasing utility of the service.

SECTION 6.8.(c) Transfers of Agencies, Powers, Duties. – The statutory authority, powers, duties, functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the State agencies and subunits listed in this subsection are transferred from those entities to the State Chief Information Officer, Office of Information Technology Services, with all of the elements of a Type II transfer as defined by G.S. 143A-6:

- (1) The North Carolina Geographic Information Coordinating Council.
- (2) The Center for Geographic Information and Analysis.

The Center for Geographic Information and Analysis shall remain in its current office space unless the State Chief Information Officer determines otherwise.

SECTION 6.8.(d) Center for Geographic Information and Analysis Coordination. – The State Chief Information Officer shall coordinate a professional services component for

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geographic information systems coordination with the Center for Geographic Information and Analysis that is refocused toward current community needs.

SECTION 6.8.(e) North Carolina Geographic Information Coordinating Council Coordination. – The State Chief Information Officer, in cooperation with the North Carolina Geographic Information Coordinating Council, shall coordinate the refocusing of the NC OneMap geographic information systems infrastructure project to leverage new technology, to increase the utility of geographic information systems services, and to reduce geographic information systems data layer costs through singly managed contracts.

SECTION 6.8.(f) Information Technology Fund. – The Information Technology Fund shall be used for the purpose of acquiring and managing, at the lowest cost, data layers useful to multiple State and local organizations, according to the priorities set by the North Carolina Geographic Information Coordinating Council. The Information Technology Fund may receive private grants and may include State, federal, local, and matching funds. Any funding received for GIS may be used only for that purpose.

SECTION 6.8.(g) Geographic Information Systems Funding. – Of the funds appropriated in this act to the Information Technology Fund, the sum of seven hundred forty thousand dollars (\$740,000) for the 2009-2010 fiscal year and the sum of seven hundred forty thousand dollars (\$740,000) for the 2010-2011 fiscal year shall be used to effectuate the transfer of the Center for Geographic Information and Analysis, including the cost of moving personnel positions, as provided by this act.

BEACON DATA INTEGRATION

SECTION 6.9.(a) The Office of the State Controller, in cooperation with the State Chief Information Officer, shall continue the implementation of the BEACON Strategic Plan for Data Integration, issued in April 2008. The plan shall be implemented under the governance of the BEACON Project Steering Committee and in conjunction with leadership in appropriate State agencies and with the support and cooperation of the Office of State Budget and Management.

While it is the intent that this initiative provide broad access to information across State government, the plan shall comply with all necessary security measures and restrictions to ensure that access to any specific information held confidential under federal or State law shall be limited to appropriate and authorized persons.

SECTION 6.9.(b) The Office of State Controller shall give the Criminal Justice Data Integration Pilot Program first priority for funding and for system development and implementation.

The Office of State Controller shall determine the amount of funding required to (i) fully support the Criminal Justice Data Integration Pilot Program effort and (ii) develop full operational capability in Wake County during the 2009-2010 fiscal year. The Office of State Controller shall not otherwise obligate these funds.

SECTION 6.9.(c) By September 1, 2009, the Office of State Controller shall report to the **Joint Legislative Oversight Committee on Information Technology** and to the Fiscal Research Division on (i) funding requirements and sources of funds for the Criminal Justice Data Integration Pilot Program for the 2009-2010 fiscal year and (ii) the anticipated uses of any remaining funds for the BEACON Data Integration Program. The Office of State Controller shall

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spend funds to support the BEACON Data Integration Program only as is specifically authorized in Section 6.16(d) of S.L. 2008-107.

By October 1, 2009, the Office of State Controller, in coordination with the State Chief Information Officer, shall also report on future costs for implementing the BEACON Data Integration Program, including outside vendor costs. This report shall include a detailed explanation of potential costs and the efforts participating agencies are making to reduce these costs. This report shall be presented to the **Joint Legislative Oversight Committee on Information Technology** and written reports shall be provided to the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division.

CRIMINAL JUSTICE DATA INTEGRATION PILOT PROGRAM

SECTION 6.10.(a) The Office of the State Controller, in cooperation with the State Chief Information Officer and under the governance of the BEACON Project Steering Committee, shall continue the development of the Criminal Justice Data Integration Pilot Program in Wake County as specified in Section 6.15 of S.L. 2008-107. The Office of State Controller shall achieve and demonstrate full operational capability of the pilot program in Wake County before the system is expanded to other areas of the State.

SECTION 6.10.(b) The Criminal Justice Data Integration Pilot Program shall continue to comply with all necessary security measures and restrictions to ensure that access to any specific information held confidential under federal and State law shall be limited to authorized persons.

SECTION 6.10.(c) The Office of State Controller shall develop a detailed plan for the statewide expansion of the Criminal Justice Data Integration Pilot Program. This plan shall include the following:

- (1) An implementation schedule;
- (2) The requirements individual users must meet to participate in the program;
- (3) Detailed cost information for the development and implementation of a statewide system, including any user costs;
- (4) A governance structure for management and oversight of the system; and
- (5) Any other issues associated with the implementation of the system.

The Office of State Controller shall submit this plan to the House of Representatives and Senate Appropriations Committees, the **Joint Legislative Oversight Committee on Information Technology**, and the Fiscal Research Division by January 31, 2010.

SECTION 6.10.(d) The Office of State Controller shall work with the data integration software vendor to ensure that licenses are obtained at the least possible cost.

SECTION 6.10.(e) A State agency data center shall host the Criminal Justice Data Integration Pilot Program. The Office of State Controller shall identify a State data center to host the program and shall report its recommendation to the **Joint Legislative Oversight Committee on Information Technology** by August 31, 2009.

SECTION 6.10.(f) Funds appropriated for the Criminal Justice Data Integration Pilot Program shall only be used for that program. The Criminal Justice Data Integration Pilot Program shall have first priority for funds available to the BEACON Data Integration Program.

SECTION 6.10.(g) The Office of State Controller shall continue to provide quarterly written reports on the program's progress to the House of Representatives and Senate Appropriations Committees, to the **Joint Legislative Oversight Committee on Information Technology**, and to the Fiscal Research Division beginning October 1, 2009.

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UNIVERSITY OF NORTH CAROLINA GENERAL ADMINISTRATION BULK PRICING/PURCHASING OF INFORMATION TECHNOLOGY

SECTION 6.11.(a) The General Administration of The University of North Carolina, with assistance from the Office of Information Technology Services, to the extent practicable, shall consolidate information technology infrastructure purchasing which includes, but is not limited to, personal computer and printer purchases for all 16 State universities, the North Carolina School of Science and Mathematics, and General Administration, by ensuring access to a bulk and shared pricing process that will realize savings through efficiencies. General Administration may choose to utilize the Office of Information Technology Services' or existing bulk contracts of The University of North Carolina. Information technology infrastructure expenditure shall not be authorized by the General Administration of The University of North Carolina without complying with this section.

SECTION 6.11.(b) By April 1, 2010, the General Administration of The University of North Carolina shall submit a written report to the **Joint Legislative Oversight Committee on Information Technology** and to the Fiscal Research Division on the results of the University's bulk pricing and purchasing initiative. The report shall explain the following related to the initiative:

- (1) The procedures established for implementation.
- (2) Any savings realized as a result of the initiative.
- (3) Any issues associated with implementation of this initiative.

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON INFORMATION TECHNOLOGY/ REVIEW AND REPORT ON CURRENT LAW

SECTION 6.12. By April 1, 2010, the **Joint Legislative Oversight Committee on Information Technology** shall review State information technology-related legislation and develop recommendations for amendment of current laws and shall submit its written report of recommendations for legislative action to the Appropriations Committees of the Senate and the House of Representatives. The **Joint Legislative Oversight Committee on Information Technology** shall provide interested parties with the opportunity to identify and define pertinent information technology issues by offering testimony on (i) issues associated with current legislation, (ii) the impact of information technology laws on specific entities; and, (iii) recommendations for improving information technology organization and operations within the State.

OFFICE OF INFORMATION TECHNOLOGY SERVICES/NETWORK INTEGRATION/FEASIBILITY STUDY AND COORDINATION PLAN

SECTION 6.13.(a) The State Chief Information Officer shall negotiate and coordinate with MCNC to identify efficiencies that might be achieved through increased cooperation and elimination of duplicative efforts in management of the State's network infrastructure operated by the Office of Information Technology Services and by the North Carolina Research and Education Network operated by MCNC. Potential efficiencies include, but are not limited to, shared infrastructure, personnel, contracted services, and support.

SECTION 6.13.(b) Based on guidance provided by the Program Evaluation Division and the Fiscal Research Division, the Office of Information Technology Services and the Office of State Budget and Management, in conjunction with MCNC, shall conduct a study

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to determine the feasibility of coordinating the operation of the North Carolina Research and Education Network and the State network infrastructure. The feasibility study shall define the capabilities and limitations of the Office of Information Technology Services and MCNC and document services currently provided by the Office of Information Technology Services and MCNC. Further, the feasibility study shall identify:

- (1) Current and potential State agency network requirements.
- (2) The organization currently supporting each network requirement.
- (3) Requirements that are currently unsupported by either organization.
- (4) Costs associated with each requirement.
- (5) Potential cost savings resulting from network integration.
- (6) Policy and operational issues associated with the coordination.

The study shall be reviewed by the Program Evaluation Division and the Fiscal Research Division, both of which shall verify the identified efficiencies and cost savings. The Office of Information Technology Services and MCNC shall complete the feasibility study and present it to the **Joint Legislative Oversight Committee on Information Technology** by October 31, 2009.

SECTION 6.13.(c) Following completion of the feasibility study by the Office of State Budget and Management, and if the Program Evaluation Division and the Fiscal Research Division can verify that the efficiencies and savings identified in the study are valid, accurate, and substantial enough to justify increased coordination, then the Office of Information Technology Services and MCNC shall develop a plan to coordinate their operations. The coordination plan shall include at least the following:

- (1) Definition of requirements to achieve statewide integration.
- (2) Detailed information on the allocation of responsibility for each requirement and component.
- (3) An estimate of the associated costs with each requirement or component, including what the costs to each agency would be without coordination.
- (4) Priorities for integration.
- (5) A schedule for implementation.
- (6) Detailed cost information for the development and integration of a single network.
- (7) A governance structure for management and oversight of the network.
- (8) A means for resolution of any issues identified during the feasibility study.

The coordination plan shall be completed by February 28, 2010, and shall be presented to the Joint Legislative Commission on Governmental Operations and the **Joint Legislative Oversight Committee on Information Technology**.

SECTION 6.13.(d) Prior to implementation of the plan, the Office of Information Technology Services and MCNC shall complete a memorandum of agreement that specifies their respective roles and responsibilities and defines payment schedules. By January 1 each year, the Office of State Budget and Management shall report to the **Joint Legislative Oversight Committee on Information Technology** regarding the status of the coordination plan and the cost savings realized during the previous fiscal year.

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UPGRADE STATE PORTAL

SECTION 6.14.(a) The Office of State Budget and Management, in coordination with the Office of the State Chief Information Officer, shall develop a detailed plan to upgrade the State portal. The upgrade plan shall include consideration of the need to (i) improve State services for citizens and businesses; (ii) offer online services; (iii) provide crucial, up-to-the-minute emergency information; and (iv) provide a multipurpose, interactive Web portal.

SECTION 6.14.(b) Prior to developing the plan, the Office of State Budget and Management shall obtain the advice and assistance of State and local government agencies, businesses operating within the State, and private citizens to ensure that all potential users have the opportunity to submit recommendations for inclusion in the final plan.

The Office of State Budget and Management shall also conduct an inventory of capabilities that are available on other states' portals. With the assistance of State agencies, the Office of State Budget and Management shall prioritize potential capabilities. Based on these priorities, the Office of State Budget and Management shall develop a phased plan to allow incremental implementation that includes a detailed time line for each phase and shall include the cost associated with each phase.

SECTION 6.14.(c) The interactive Web portal shall include the capability for citizens, businesses, and State and local government agencies to complete online transactions, obtain live help from State agencies, and access emergency information in real time. The portal shall include appropriate security measures and devices to include encryption, enterprise-class firewalls/gateway security, real-time intrusion prevention and detection, virtual private networks, vulnerability management, and virus protection.

SECTION 6.14.(d) By December 1, 2009, the Office of State Budget and Management shall submit the upgrade plan to the **Joint Legislative Oversight Committee on Information Technology** and to the Fiscal Research Division. The report shall include an explanation of any recommendations that were not included in the final plan with an explanation as to why each was not included and the cost associated with implementation of those items.

IMPLEMENT GENERAL SERVICES ADMINISTRATION SCHEDULES FOR STATE INFORMATION TECHNOLOGY PURCHASES

SECTION 6.14A.(a) G.S. 147-33.95(b) is amended by adding a new subdivision to read:

"(2a) Establish procedures to permit State agencies and local government agencies to use the General Services Administration (GSA) Cooperative Purchasing Program to purchase information technology (i) awarded under General Services Administration Supply Schedule 70 Information Technology and (ii) from contracts under the GSA's Consolidated Schedule containing information technology special item numbers."

SECTION 6.14A.(b) By October 1, 2009, the Office of Information Technology Services shall report to the **Joint Legislative Oversight Committee on Information Technology** and Fiscal Research Division on its plan for implementing GSA Schedules for information technology procurement.

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USE OF ELECTRONIC FORMS AND DIGITAL SIGNATURES

SECTION 6.16.(a) The Office of State Budget and Management shall develop a plan to increase the use of electronic forms and digital signatures throughout State government. In developing the plan, first the Office of State Budget and Management shall conduct an inventory of all paper or electronic forms currently in use by executive branch agencies. The Office of State Budget and Management may hire temporary help for the collection and compiling of the data for the inventory.

SECTION 6.16.(b) After completing the inventory, the Office of State Budget and Management shall develop a plan for converting one or more paper forms to an electronic format. The plan shall include a detailed business case for the conversion, including cost, cost savings, cost avoidance, and any impact on productivity.

SECTION 6.16.(c) The Office of State Budget and Management shall assess the potential cost of converting all identified forms in the inventory to an electronic format and establish a timetable for achieving conversion as soon as practicable.

SECTION 6.16.(d) The Office of Information Technology Services shall provide technical assistance to the Office of State Budget and Management in the development of the plan to increase the use of electronic forms and digital signatures.

SECTION 6.16.(e) Executive branch State agencies shall provide all information requested by Office of State Budget and Management in conducting the inventory and in all other issues related to the development of this plan.

SECTION 6.16.(f) The Office of State Budget and Management shall submit the plan to the **Joint Legislative Oversight Committee on Information Technology** on or before March 1, 2010.

POSITION TRANSFER REPORTS/OFFICE OF INFORMATION TECHNOLOGY SERVICES/OFFICE OF STATE CONTROLLER/OFFICE OF STATE BUDGET AND MANAGEMENT

SECTION 6.17.(a) By November 1, 2009, the Office of State Budget and Management (OSBM), in coordination with the Office of Information Technology Services, shall submit a written report to the Appropriation Committees of the Senate and the House of Representatives, to the **Joint Legislative Oversight Committee on Information Technology**, and to the Fiscal Research Division regarding the transfer of information technology (IT) positions associated with IT consolidation. The report shall include the following:

- (1) The numbers and types of positions transferred to the Office of Information Technology Services from other State agencies, an explanation as to why each position was moved to the Office of Information Technology Services, the cost associated with each position, and how that cost is allocated.
- (2) The number and types of information technology positions remaining with each State agency, an explanation as to why the positions were retained by the agency, and the total cost for each position.
- (3) The number and location of positions eliminated as a result of IT consolidation and the associated cost savings.

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- (4) Any new positions created within the Office of Information Technology Services to support IT consolidation, the reason each position was created, and the associated cost.

SECTION 6.17.(b) By November 1, 2009, OSBM, in coordination with the Office of the State Controller, shall submit a written report to the Appropriations Committees of the Senate and House of Representatives, to the **Joint Legislative Oversight Committee on Information Technology**, and to the Fiscal Research Division on the transfer of positions associated with the implementation of the BEACON HR/Payroll project. The report shall include the following:

- (1) The numbers and types of positions transferred to the Office of the State Controller from other State agencies, an explanation as to why each position was moved to the Office of the State Controller, the cost associated with each position, and how that cost is allocated.
- (2) The number and types of positions remaining with each State agency, an explanation as to why the positions were retained by the agency, and the total cost for each position.
- (3) The number and location of positions eliminated as a result of the implementation of the BEACON HR/Payroll system and the associated cost savings.
- (4) Any new positions created within the Office of the State Controller to support BEACON HR/Payroll, the reason each position was created, and the associated cost.

INFORMATION TECHNOLOGY CONTRACTED PERSONNEL

SECTION 6.18.(a) Beginning July 1, 2009, and notwithstanding any provision of law to the contrary:

- (1) No contract for information technology personal services, or providing personnel to perform information technology functions, may be established or renewed for any term longer than 12 months unless otherwise specifically required by a contract in effect on June 30, 2009.
- (2) Before any State agency, department, or institution may renew a contract position for information technology personnel, the State agency must report to the Office of State Budget and Management (OSBM), to the Office of State Personnel (OSP), to the Office of Information Technology Services (ITS), and to the Fiscal Research Division (FRD) on the justification for the contract. The report shall explain:
 - a. The proposed duration of the contract position. If the contract term is for more than 12 months, why recruitment for an in-house State employee position is not feasible.
 - b. Whether the contract position requires unique skills for which the State has a short-term need.
 - c. Whether the contract position is required by a specific information technology project and if the position will be terminated upon completion of the project.
 - d. The specific work products and completion time lines for the contract position.

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- (3) Contract positions subject to this subsection shall be reviewed and approved by the Statewide Information Technology Procurement Office and shall be entered in the project portfolio management tool.
- (4) Once approved, contract positions will be reviewed by the Office of State Personnel to determine what the market rate is for the type of contractor required, as well as to determine the comparable cost for a State employee. Agencies may not exceed the market rate determined by OSP. However, SAP employees may be paid based on the rate structure currently in use by the State Chief Information Officer for ITS employees.
- (5) After OSP provides cost data, funding for the position is subject to the approval of OSBM.
- (6) Whenever a State agency, department, or institution determines that only a contractor can fill a position and the position is required to perform an ongoing function within the agency, the head of the State agency must develop and implement a plan to hire or train a qualified State employee to fill that position within 12 months. Within 60 days of hiring the contractor, this plan shall be forwarded to the Office of State Budget and Management, to the Office of State Personnel, to the Office of Information Technology Services, to the **Joint Legislative Oversight Committee on Information Technology**, and to the Fiscal Research Division of the Legislative Services Office.
- (7) Any contract position requiring information technology skills is subject to this provision. OSBM may immediately terminate the funding for any information technology position that is filled without following defined procedures.
- (8) All information technology personnel contracts shall be competitive and shall be subject to competition each time they expire. Exceptions must be approved by ITS, OSP, and OSBM and can only be approved once for a particular individual. Approved exceptions must be immediately reported to the **Joint Legislative Oversight Committee on Information Technology** and to the Fiscal Research Division of the Legislative Services Office.

SECTION 6.18.(b) By October 1, 2009, and monthly thereafter, each State agency, department, and institution employing information technology personal services contractors, or personnel to perform information technology functions, shall provide a detailed report on those contracts to the Office of State Budget and Management, to the Office of State Personnel, to the Office of Information Technology Services, to the **Joint Legislative Oversight Committee on Information Technology**, and to the Fiscal Research Division of the Legislative Services Office. Each State agency's report shall include at least the following:

- (1) For each contracted information technology position:
 - a. The title of the position, a brief synopsis of the essential functions of the position, and how long the position has existed.
 - b. The name of the individual filling the position and the vendor company, if any, that regularly employs that individual.
 - c. The type, start date, and the termination date of the contract.
 - d. The length of time that the individual filling the contracted position has been employed as a contractor.
 - e. The contracted position salary or hourly rate, the number of hours per year, and the total annualized cost of the contracted position.

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- f. The salary and benefits cost for a State employee performing the same function.
- g. The purchase order number for the position.
- (2) The total annual cost for information technology contractors and the total annual salary and benefits cost for filling the contract positions with State employees.
- (3) A determination of whether the information technology functions performed by contractors can be performed by State employees, which shall be validated by the Statewide Information Technology Procurement Office.
- (4) All information required by this subsection related to information technology contractors regardless of the contracting source.

STATE INFORMATION TECHNOLOGY INFRASTRUCTURE CONSOLIDATION

SECTION 6.19.(a) The Office of State Budget and Management (OSBM), in conjunction with the State Chief Information Officer (State CIO), shall continue to consolidate State government's information technology infrastructure where a statewide approach would be more economical, reduce security risks, or minimize potential disruption to services. In carrying out the consolidation, the Office of Information Technology Services shall utilize the authority set out in G.S. 147-33.83.

SECTION 6.19.(b) Information technology infrastructure includes personal computers, hosting and network environments, the help desk, and information technology security of personal computers, servers, and networks.

SECTION 6.19.(c) As part of the consolidation effort, OSBM shall identify (i) contractor positions that have been filled for 12 months or more, beginning March 1, 2009, (ii) the hourly cost of each position, and (iii) any cost savings or other benefits that could be achieved by using State employees to carry out the same duties and responsibilities.

SECTION 6.19.(d) In setting consolidation priorities, OSBM and the State CIO shall target IT infrastructure issues that pose significant risk to agency operations or data, or that provide opportunities for immediate cost savings to the State.

SECTION 6.19.(e) The consolidation of information technology infrastructure conducted by OSBM and the State CIO shall not include The University of North Carolina and its constituent institutions, the Administrative Office of the Courts, and the General Assembly.

SECTION 6.19.(f) Beginning December 1, 2009, and regularly thereafter, the Office of State Budget and Management, in conjunction with the State CIO, shall provide written reports to the **Joint Legislative Oversight Committee on Information Technology** and the Fiscal Research Division relating to State information technology infrastructure consolidation.

PILOT PROGRAM TO ALLOW PUBLIC-PRIVATE PARTNERSHIPS TO MEET DEPARTMENT OF REVENUE TECHNOLOGY NEEDS

SECTION 6.20.(a) To speed the implementation of the Tax Information Management System (TIMS) and the additional components of the Planning and Design Project (PDP) during the 2009-2011 fiscal biennium, the Secretary of the Department of Revenue may enter into public-private arrangements where (i) the funding of projects under the arrangement comes from revenue generated by the project and (ii) the project is related to the implementation of TIMS and additional components of the PDP. As used in this section, the "additional

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components of the PDP" are Enterprise Data Warehouse, Management Reporting and Decision Analytics, Customer Relationship Management, Enterprise Case Management, and E-Services.

Work under a public-private arrangement may be contracted by requests for proposals, modifications to existing contracts, and purchases using existing contract vehicles.

The Secretary of Revenue shall establish a measurement process to determine the increased revenue attributable to the public-private arrangements. To accomplish this, the Secretary shall consult subject matter experts outside the Department of Revenue, both within State government and from private industry. The measurement process shall include:

- (1) Calculation of a revenue baseline against which the increased revenue attributable to the project is measured;
- (2) Periodic evaluation to determine if the baseline needs to be modified based on significant measurable changes in the economic environment; and
- (3) Monthly calculation of increased revenue attributable to contracts executed under this program.

Of funds generated from collections above the baseline established by subdivision (1) of this subsection, in both the General and Highway Funds, up to forty-one million dollars (\$41,000,000) may be authorized by the Office of State Budget and Management (i) for the purchases related to the implementation of TIMS and the additional components of the PDP, including payment for services from non-State entities and (ii) toward internal State costs related to the implementation of TIMS and PDP components. The total of any funds expended during the 2009-2011 biennium for implementation of TIMS and the additional PDP components shall not exceed the sum of forty-one million dollars (\$41,000,000).

If the Department of Revenue finds that it cannot generate additional benefits totaling forty-one million dollars (\$41,000,000) in the 2009-2011 biennium, the Department shall immediately notify the Chairs of the House of Representatives and Senate Appropriations Committees and Fiscal Research Division, identify any obligations to vendors, identify options for meeting obligations to vendors, and provide costs associated with each option. The Department shall ensure that this notification is made in sufficient time to allow the General Assembly to properly evaluate the options presented.

SECTION 6.20.(b) Notwithstanding G.S. 114-2.3, the Department of Revenue shall engage the services of private counsel with the pertinent information technology and computer law expertise to review requests for proposals, and to negotiate and review contracts associated with TIMS and the additional components of the Planning and Design Project (PDP) (Enterprise Data Warehouse, Management Reporting and Decision Analytics, Customer Relationship Management, Enterprise Case Management, and E-Services).

SECTION 6.20.(c) There is established within the Department of Revenue the Oversight Committee for reviewing and approving the benefits measurement methodology and calculation process. The Oversight Committee shall review and approve all contracts executed under this section. This shall include (i) details of each public-private contract, (ii) the benefits from each contract, and (iii) a comprehensive forecast of the benefits of using public-private agreements to implement TIMS and the additional PDP components, including the measurement process established for the Secretary of Revenue. The Oversight Committee shall approve all of the fund transfers for this project.

The members of the Committee shall include the following:

- (1) The State Budget Director;
- (2) The Secretary of the Department of Revenue;

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- (3) The State Chief Information Officer;
- (4) Two persons appointed by the Governor;
- (5) One member of the general public having expertise in information technology appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives; and
- (6) One member of the general public having expertise in economic and revenue forecasting appointed by the General Assembly upon recommendation of the President Pro-Tempore of the Senate.

The State Budget Director shall serve as chair of the Committee. The Committee shall set its meeting schedule and adopt its rules of operation by majority vote. A majority of the members constitutes a quorum. Vacancies shall be filled by the appointing authority. Administrative support staff shall be provided by the Department of Revenue. Members of the Committee shall receive reimbursements for subsistence and travel expenses as provided by Chapter 138 of the General Statutes. The Committee shall terminate on June 30, 2011.

SECTION 6.20.(d) Beginning October 1, 2009 and quarterly thereafter, the Department of Revenue shall submit reports to the Chairs of the House of Representatives and Senate Committees on Appropriation, to the **Joint Legislative Oversight Committee on Information Technology**, and to the Fiscal Research Division of the Legislative Services Office. The report shall include (i) details of each public-private contract, (ii) the benefits from each contract, (iii) a comprehensive forecast of the benefits of using public-private agreements to implement TIMS and the additional PDP components, including cost savings and the acceleration of the project timeline, (iv) and any issues associated with the operation of the public-private partnership. Within 60 days of implementing the public-private partnership, the Department of Revenue shall provide to the Chairs of the House of Representatives and Senate Appropriations Committees, and Fiscal Research Division, a schedule for vendor payments that identifies sources and amounts of funding anticipated as a result of the project's implementation.

SECTION 6.20.(e) In addition to the oversight provided by the Oversight Committee established in subsection (c) of this section, the TIMS project shall be subject to existing Information Technology project oversight legislation, including, but not limited to, G.S. 147-33.72C and G.S. 147-33.72E.

HEALTH INFORMATION TECHNOLOGY

SECTION 10.27.(a) The Department of Health and Human Services, in cooperation with the State Chief Information Officer and the North Carolina Office of Economic Recovery and Investment, shall coordinate health information technology (HIT) policies and programs within the State of North Carolina. The Department's goal in coordinating State HIT policy and programs shall be to avoid duplication of efforts and to ensure that each State agency, public entity, and private entity that undertakes health information technology activities associated with the American Recovery and Reinvestment Act of 2009 (ARRA) does so within the area of its greatest expertise and technical capability and in a manner that supports coordinated State and national goals, which shall include at least all of the following:

- (1) Ensuring that patient health information is secure and protected, in accordance with applicable law.
- (2) Improving health care quality, reducing medical errors, reducing health disparities, and advancing the delivery of patient-centered medical care.

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- (3) Providing appropriate information to guide medical decisions at the time and place of care.
- (4) Ensuring meaningful public input into HIT infrastructure development.
- (5) Improving the coordination of information among hospitals, laboratories, physician offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information.
- (6) Improving public health services and facilitating early identification and rapid response to public health threats and emergencies, including bioterrorist events and infectious disease outbreaks.
- (7) Facilitating health and clinical research.
- (8) Promoting early detection, prevention, and management of chronic diseases.

SECTION 10.27.(b) The Department of Health and Human Services shall establish and direct a HIT management structure that is efficient and transparent and that is compatible with the Office of the National Health Coordinator for Information Technology (National Coordinator) governance mechanism. The HIT management structure shall be responsible for all of the following:

- (1) Developing a State plan for implementing and ensuring compliance with national HIT standards and for the most efficient, effective, and widespread adoption of HIT.
- (2) Ensuring that (i) specific populations are effectively integrated into the State plan, including aging populations, populations requiring mental health services, and populations utilizing the public health system; and (ii) unserved and underserved populations receive priority consideration for HIT support.
- (3) Identifying all HIT stakeholders and soliciting feedback and participation from each stakeholder in the development of the State plan.
- (4) Ensuring that existing HIT capabilities are considered and incorporated into the State plan.
- (5) Identifying and eliminating conflicting HIT efforts where necessary.
- (6) Identifying available resources for the implementation, operation, and maintenance of health information technology, including, but not limited to, the ARRA, with emphasis on identifying resources and available opportunities for North Carolina institutions of higher education.
- (7) Ensuring that the appropriate State entities receive all the necessary information and support to successfully compete for funding included in the ARRA.
- (8) Ensuring that potential State plan participants are aware of HIT policies and programs and the opportunity for improved health information technology.
- (9) Monitoring HIT efforts and initiatives in other States and replicating successful efforts and initiatives in North Carolina.
- (10) Monitoring the development of the National Coordinator's strategic plan and ensuring that all stakeholders are aware of and in compliance with its requirements.
- (11) Monitoring the progress and recommendations of the HIT Policy and Standards Committees and ensuring that all stakeholders remain informed of the Committee's recommendations.

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- (12) Monitoring all studies and reports provided to the United States Congress and reporting to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the impact of report recommendations on State efforts to implement coordinated HIT.

SECTION 10.27.(c) Beginning October 1, 2009, the Department of Health and Human Services shall provide quarterly written reports on the status of HIT efforts to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division. The report shall include the following:

- (1) Current status of federal HIT initiatives.
- (2) Current status of State HIT efforts and initiatives among both public and private entities.
- (3) A breakdown of current public and private funding sources and dollar amounts for State HIT initiatives.
- (4) Department efforts to coordinate HIT initiatives within the State and any obstacles or impediments to coordination.
- (5) HIT research efforts being conducted within the State and sources of funding for research efforts.
- (6) Opportunities for stakeholders to participate in HIT funding and other efforts and initiatives during the next quarter.
- (7) Issues associated with the implementation of HIT in North Carolina and recommended solutions to these issues.

NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS

SECTION 7.9.(a) The North Carolina Virtual Public School (NCVPS) program shall report to the State Board of Education and shall maintain an administrative office at the Department of Public Instruction.

SECTION 7.9.(b) The Director of NCVPS shall continue to ensure that course quality standards are established and met and that all e-learning opportunities offered by State-funded entities to public school students are consolidated under the North Carolina Virtual Public School program, eliminating course duplication.

SECTION 7.9.(c) Subsequent to course consolidation, the Director shall prioritize e-learning course offerings for students residing in rural and low-wealth county local school administrative units, in order to expand available instructional opportunities. First-available e-learning instructional opportunities should include courses required as part of the standard course of study for high school graduation and AP offerings not otherwise available.

SECTION 7.9.(d) Beginning with the 2010-2011 fiscal year, the State Board of Education shall implement an allotment formula for e-learning developed pursuant to Section 7.16(d) of S.L. 2006-66.

The North Carolina Virtual Public School (NCVPS) shall be available at no cost to all high school students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

The Department of Public Instruction shall communicate to local school administrative units all applicable guidelines regarding the enrollment of nonpublic school students in these courses.

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SECTION 7.9.(e) The State Board of Education shall project funds needed to operate the North Carolina Virtual Public School (NCVPS) for fiscal year 2009-2010. In order to ensure funds are available, the State Board of Education is directed to utilize funding sources in the following order:

- (1) The General Fund appropriation for NCVPS;
- (2) Available American Recovery and Reinvestment Act of 2009 funds; and
- (3) Up to six million dollars (\$6,000,000) from the School Technology appropriation.

SECTION 7.9.(f) NCVPS shall only provide high school courses.

SECTION 7.9.(g) The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, on its implementation of this section.

If the State Board of Education fails to report a new allotment formula for NCVPS to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, the State Treasurer, the Office of State Budget and Management, and the Office of State Controller shall prevent the expenditure of funds related to the operation of the State Board of Education.

LEARN AND EARN ONLINE

SECTION 7.10.(a) Funds are appropriated in this act for the Learn and Earn Online program. This program will allow high school students to enroll in college courses to qualify for college credit. Online courses shall be made available to students through The University of North Carolina and the North Carolina Community College System.

SECTION 7.10.(b) Funds shall be used for:

- (1) Course tuition and only those technology and course fees and textbooks required for course participation; and
- (2) A liaison position in the Department of Public Instruction to coordinate with The University of North Carolina and the North Carolina Community College System and to communicate course availability and related information to high school administrators, teachers, and counselors.

SECTION 7.10.(c) The State Board of Education shall determine the allocation of Learn and Earn Online course offerings across the State.

SECTION 7.10.(d) The State Board of Education shall allot funds for tuition, fees, and textbooks on the basis of and after verification of the credit hour enrollment of high school students in Learn and Earn Online courses. The Office of State Budget and Management shall transfer sufficient funds from the State Public School Fund to the Community Colleges System Office for courses offered by community colleges.

SECTION 7.10.(e) The University of North Carolina program shall report to The University of North Carolina Board of Governors, and the North Carolina Community College program shall report to the State Board of Community Colleges. The Department of Public Instruction shall report to the State Board of Education.

SECTION 7.10.(f) Both The University of North Carolina and the North Carolina Community College System shall provide oversight and coordination, including coordination with the Department of Public Instruction and with the North Carolina Virtual Public School (NCVPS), to avoid course duplication.

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SECTION 7.10.(g) The programs shall establish course quality and rigor standards and shall conduct course evaluations to ensure that the online courses meet the established standards.

SECTION 7.10.(h) Local school administrative units may purchase textbooks for Learn and Earn Online courses through the Department of Public Instruction's textbook warehouse in the same manner as textbooks that have been adopted for public school students by the State Board of Education.

SECTION 7.10.(i) G.S. 115D-1.2(a) reads as rewritten:

"(a) Notwithstanding 115D-1, a ~~public school~~ student enrolled in grades 9, 10, 11, or 12 and participating in the Learn and Earn Online program shall be permitted to enroll in online courses through a community college for college credit. Students participating in the Learn and Earn Online program may enroll in Learn and Earn Online courses regardless of the college service areas in which they reside."

SECTION 7.10.(j) For the 2009-2011 biennium, high school students attending a nonpublic school may enroll in any Learn and Earn Online course with space available that has been offered to but not filled by any eligible public school student. Notwithstanding subsection (h) of this section, nonpublic school students shall be responsible for supplying their own textbooks and other instructional materials.

SECTION 7.10.(k) Funds appropriated for Learn and Earn Online that are unexpended or unencumbered at the end of each fiscal year shall not revert but shall remain available for expenditure.

SECTION 7.10.(l) Subsection (k) of this section becomes effective June 30, 2009.

SCHOOL CONNECTIVITY INITIATIVE

SECTION 7.12.(a) Up to three hundred fifty thousand dollars (\$350,000) may be transferred annually to the Office of the Governor for NC Virtual (NCV) within the Education Cabinet and for the Education E-Learning Portal. These funds shall be used to provide services to coordinate e-learning activities across all State educational agencies and to make the Education E-Learning Portal fully operational by December 1, 2009.

SECTION 7.12.(b) Section 7.6(a) of S.L. 2008-107 reads as rewritten:

"**SECTION 7.6.(a)** Up to ~~six~~ three hundred thousand dollars (~~\$600,000~~) (\$300,000) may be transferred annually through June 30, 2013, to the Friday Institute at North Carolina State University to evaluate the effectiveness of using technology and its impact on 21st Century Teaching and Learning outcomes approved by the State Board of Education. The Friday Institute shall report annually to the State Board of Education on the evaluation results, ~~including recommendations for continued implementation of the school connectivity initiative that improves teaching and learning results.~~"

SECTION 7.12.(c) Funds allocated to the School Connectivity Initiative shall carry forward to the next fiscal year until the project is fully implemented by June 30, 2010.

SECTION 7.12.(d) Subsection (c) of this section becomes effective on June 30, 2009.

DEVELOPMENT OF A PREK-20 DATA SYSTEM

SECTION 7.19.(a) The Department of Public Instruction, with the cooperation and assistance of the North Carolina Community College System and The University of North Carolina, shall collaboratively develop and systematically determine the technical specifications

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and data standards for a PreK-20 data system to centralize student data collected about students enrolled in prekindergarten programs through doctoral programs. The PreK-20 data system shall build upon the current capacity, programs, and initiatives of the Department of Public Instruction, the North Carolina Community College System, and The University of North Carolina.

The Department of Public Instruction, in collaboration with the North Carolina Community College System and The University of North Carolina, shall also develop a strategy for tracking students for five years after they complete their education at a North Carolina public educational institution.

The General Assembly urges private colleges and universities to advise and assist the Department of Public Instruction, the North Carolina Community College System, and The University of North Carolina on the implementation of this section.

SECTION 7.19.(b) The PreK-20 data standards and specifications shall include:

- (1) The types and forms of data to be included in a PreK-20 data system, including longitudinal data and the use of a unique student identifier;
- (2) The capacity of a shared PreK-20 data system;
- (3) The degree and extent of cooperation between a shared PreK-20 data system and the current data collection systems of the Department of Public Instruction, the North Carolina Community College System, and The University of North Carolina;
- (4) The minimum capacity and technical specifications needed for each data system to feed into a shared PreK-20 data system;
- (5) The ability for data in a shared PreK-20 data system to be understood and used by interested stakeholders, including federal and other State agencies; and
- (6) The feasibility of broadening the PreK-20 data system to include other sources of data that are needed for a unified statewide data collection system.

SECTION 7.19.(c) Standards and specifications shall conform to the guidelines and instructions governing any funds received through the American Recovery and Reinvestment Act of 2009 for this purpose.

SECTION 7.19.(d) Standards and specifications shall be submitted to the Education Cabinet no later than January 1, 2010. The Education Cabinet shall review these standards and submit its recommendations regarding them to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 1, 2010.

ENSURE ACCESS TO THE EVAAS SYSTEM

SECTION 7.27. The State Board of Education shall use funds appropriated to the State Public School Fund for the 2009-2011 fiscal biennium to ensure that all local school administrative units and charter schools have access to SAS EVAAS (Education Value Added Assessment System).

SCHOOL TECHNOLOGY PLANS

SECTION 7.31. Part 3A of Article 8 of Chapter 115C of the General Statutes reads as rewritten:

"Part 3A. School Technology.

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"§ 115C-102.5. Commission on School Technology created; membership.

(a) There is created the Commission on School Technology. The Commission shall be located administratively in the Department of Public Instruction ~~Instruction, but shall exercise all its prescribed statutory powers independently of the Department of Public Instruction.~~

The purpose of the Commission shall be to advise the State Board of Education on the development of a State School Technology Plan that (i) ensures the effective use of technology is built into the North Carolina Public School System for the purpose of preparing a globally competitive workforce and citizenry for the 21st century and (ii) ensures equity and access to school technology for all segments of the public school population in North Carolina.

The Commission shall meet at least twice each fiscal year and shall provide input and feedback on the State School Technology Plan prior to approval.

(b) The Commission shall consist of the following ~~49~~ members:

- (1) The State Superintendent of Public Instruction or a designee;
- (2) One representative of The University of North Carolina, appointed by the President of The University of North Carolina;
- (3) One representative of the North Carolina Community College System, appointed by the President of the North Carolina Community College System;
- ~~(4) A person with management responsibility concerning information technology related State Government functions, designated by the Secretary of Commerce;~~
- (5) ~~Four~~ Two members appointed by the Governor;
- (6) ~~Six~~ Two members appointed by the President Pro Tempore of the Senate ~~two of whom shall be members of the Senate. One of these six members shall be appointed by the President Pro Tempore of the Senate to serve as cochair; Senate;~~
- (7) ~~Six~~ Two members appointed by the Speaker of the House of Representatives ~~two of whom shall be members of the House of Representatives. One of these six members shall be appointed by the Speaker of the House of Representatives to serve as cochair; and~~ Representatives; and
- ~~(8) The Secretary of Health and Human Services or a designee.~~
- (9) The State Chief Information Officer, or a designee.

In appointing members pursuant to subdivisions (5), (6), and (7) of this subsection, the appointing persons shall select individuals with technical or applied knowledge or experience in learning and instructional management technologies or individuals with expertise in curriculum or instruction who have successfully used learning and instructional management technologies.

No producers, vendors, or consultants to producers or vendors of learning or instructional management technologies shall serve on the Commission.

Members shall serve for two-year terms. Vacancies in terms of members shall be filled by the appointing officer. Persons appointed to fill vacancies shall qualify in the same manner as persons appointed for full terms.

(c) Repealed by Session Laws 1997-443, s. 8.26(a).

(d) Members of the Commission who are also members of the General Assembly shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-3.1. Members of the Commission who are officials or employees of the State shall receive travel allowances at the rate set forth in G.S. 138-6. All other members of the Commission shall be paid the per diem and allowances set forth in G.S. 138-5.

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(d1) The Chair of the State Board of Education shall select the Commission member or members who shall serve as chair or cochairs of the Commission.

~~(e) The Department of Public Instruction, the Department of Community Colleges, and the Office of Information Technology Services~~Instruction shall provide requested professional and clerical staff to the Commission. ~~The Commission may also employ professional and clerical staff and may hire outside consultants to assist it in its work. The Commission shall use an outside consultant to perform a requirements analysis for learning and instructional management technologies on a statewide basis that is based on information gathered from each local school administrative unit and that considers the needs of teachers, students, and administrators.~~

"§ 115C-102.6. Duty to ~~prepare a requirements analysis and propose a State school technology plan.~~

~~The Commission shall prepare a requirements analysis and~~State Board of Education shall propose a State school technology plan for improving student performance in the public schools through the use of learning and instructional management technologies, that ensures the effective use of technology is built into the North Carolina Public School System for the purpose of preparing a globally competitive workforce and citizenry for the 21st century. The Commission on School Technology will advise the State Board of Education on the State School Technology Plan and its components.

In developing this plan, the Commission shall:

- ~~(1) Assess factors related to the current use of learning and instructional management technologies in the schools, including what is currently being used, how the current use of technology relates to the standard course of study, how the effectiveness of learning and instructional management technologies is being evaluated, how schools are paying for learning and instructional management technologies, and what training school employees have received in the use of learning and instructional management technology and networks.~~
- ~~(2) Identify the instructional goals that can be met through the use of learning and instructional management technologies. The goals may include teaching the standard course of study, reaching students with a broad range of abilities, and ensuring that all students have access to a complete curriculum regardless of the geographical location or the financial resources of the school.~~
- ~~(3) Examine the types of learning and instructional management technologies available to meet the identified instructional goals, including computers, audiovisual aids, science laboratory equipment, vocational education equipment, and distance learning networks. The Commission shall consider the compatibility and accessibility of different types of learning and instructional management technologies, including compatibility with the planned statewide broadband ISDN network, and whether they may be easily communicated from one site to another. The Commission shall also consider linkages between learning and instructional management technologies and existing State and local administrative systems.~~
- ~~(4) Develop a basic level of learning and instructional management technology for every school in the State. The basic level may include:
 - ~~a. A computer lab with student stations or a specified number of student computer stations in each classroom for the use of instructional~~~~

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~~software such as computer-assisted instruction, integrated learning systems, instructional management systems, and applications software such as word processing, database, spreadsheet, and desktop publishing.~~

- ~~b. A computer workstation in every classroom for teachers to use in preparation and delivery of instruction and for administrative record keeping.~~
 - ~~c. A television monitor and video cassette recorder in every classroom to take advantage of open air broadcast programs, satellite programs, and instructional video tapes available from the library/media center.~~
 - ~~d. Computer workstations at each elementary and secondary school, housed in the library/media center, for individual students to use for basic skills instructional software.~~
 - ~~e. A telecommunications line, modem, and software in each school's library/media center that will allow students and teachers access to external databases and resources for research purposes.~~
 - ~~f. The availability of telephones for teachers.~~
 - ~~g. Initial training for the principal and teachers from each school in the use of the new technology.~~
- ~~(5) Consider staffing required to operate the learning and instructional management technologies and options for maintaining the equipment.~~
 - ~~(6) Consider the types of staff development necessary to maximize the benefits of learning and instructional management technologies and determine the appropriate ways to provide the necessary staff development.~~
 - ~~(7) Develop a cost analysis of any plans and proposals that it develops.~~

"§ 115C-102.6A. Elements of the State school technology plan.

(a) The State school technology plan shall be a ~~long-term~~comprehensive State implementation plan for using funds from the State School Technology Fund and other sources to improve student performance in the public schools through the use of learning and instructional management technologies. The purpose of the plan shall be to provide a cost-effective foundation of flexible ~~and long-lasting technology~~ and infrastructure to promote substantial gains in student achievement.

~~(b) In developing the plan the Commission shall consider and plan for the relationship of the North Carolina Information Highway to the plan. In particular the plan shall establish priorities for the acquisition of school technologies including how the Information Highway fits into those priorities.~~

- (c) Components of the State school technology plan shall include at least the following:
 - (1) Common technical standards and uniform practices and procedures that provide statewide economies of scale in procurements, training, support, planning, and operations.
 - (2) Conceptual technical architecture that includes:
 - a. Principles – Statements of direction, goals, and concepts to guide the development of technical architecture;
 - b. Standards for interoperability – Detailed specifications to ensure hardware, software, databases, and other products that may have been developed independently or purchased from different vendors or

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- manufacturers will work together, to the extent that interoperability facilitates meeting instructional or administrative goals; and
- c. Implementation strategies – Approaches or guidelines for developing and installing the components of the technical infrastructure.
- (3) A quality assurance policy for all school technology projects, training programs, systems documentation, and maintenance plans.
 - (4) Policies and procedures for the fair and competitive procurement of school technology that provide local school administrative units with a vendor-neutral operating environment in which different school technology hardware, software, and networks operate together easily and reliably, to the extent feasible consistent with meeting instructional or administrative goals. The operating environment includes all hardware and software components and configurations necessary to accomplish the integrated functions for school technology such as (i) types and sizes of computer platforms, telecommunications equipment, and associated communications protocols; (ii) operating systems for the computer processors; (iii) applications and other operating and support software; and (iv) other equipment, items, and software, such as printers, terminals, data and image storage devices, and other input, output, and storage devices.
 - (5) A comprehensive policy for inventory control.
 - (6) Parameters for continuous, ongoing training for all personnel involved in the use of school technology. Training shall focus on the integration of technology and instruction and on the use of particular applications.
 - (7) Recommendations to the State Board of Education of requirements for preservice teacher training on the integration of teaching and school technology.
 - (8) Proposals for leadership training on the use of school technology to improve instruction and as a management tool.
 - (9) Development of expertise at the State and regional levels on school technology.
 - (10) Flexibility to enable local school administrative units and individual schools to meet individual school unit and building needs.
 - (11) Flexibility to meet the needs of all students, allow support to students with a wide range of abilities, and ensure access to challenging curricula and instruction for children at risk of school failure.
 - (12) Use of technologies to support challenging ~~State~~ State, federal, and local educational performance goals.
 - (13) Effective and integrated use of technologies compatible with (i) the standard course of study, (ii) the State assessment program, and (iii) related student data management.
 - (14) Use of technologies as a communication, instructional, and management tool and for problem-solving, exploration, and advanced skills.
 - (15) Proposals for addressing equipment needs for ~~vocational education, Tech Prep, and science instruction.~~ State curricula areas.
 - (16) Specifications for minimum components of local school system technology plans.

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(17) A baseline template for:

- a. Technology and service application infrastructure, including broadband connectivity, personnel recommendations, and other resources needed to operate effectively from the classroom desktop to local, regional, and State networks, and
- b. An evaluation component that provides for local school administrative unit accountability for maintaining quality upgradeable systems.

"§ 115C-102.6B. Approval of State school technology plan.

(a) ~~The Commission shall present the State school technology plan it develops to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee for their comments prior to January 1, 1995. At least every two years thereafter, the Commission shall develop any necessary modifications to the State school technology plan and present them to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee. The State Board of Education shall review, revise as needed, and approve the State School Technology Plan at a minimum every two years in the odd-numbered year, beginning in 2011. The plan shall be updated more often, as required, as in cases where significant changes occur related to Board goals, curriculum standards, and available technology.~~

(b) ~~After presenting the plan or any proposed modifications to the plan to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee, the Commission~~ The Board ~~shall submit the plan or any proposed modifications to (i) to the State Chief Information Officer for approval of the technical components of the plan set out in G.S. 115C-102.6A(1) through (4), and (ii) the State Board of Education for information purposes only. The State Board shall adopt a plan that includes the components of a plan set out in G.S. 115C-103.6A(1) through (16).~~

~~At (4). At least one-fourth of the members of any technical committee that reviews the plan for the State Chief Information Officer shall be people actively involved in primary or secondary education.~~

The Board shall report annually by February 1 of each year to the Joint Legislative Education Oversight Committee on the status of the State School Technology Plan.

(e) ~~If no changes are made to the plan or the proposed modifications to the plan after the submission to the State Chief Information Officer and the State Board of Education, the plan or the proposed modifications shall take effect upon approval by the State Chief Information Officer and the State Board of Education.~~

"§ 115C-102.6C. Approval of local school system technology plans.

(a) Each local board of education shall develop a local school system technology plan that is aligned with and meets the requirements of the State school technology plan. In developing a local school system technology plan, a local board of education is encouraged to incorporate this plan into its strategic planning and to bring together stakeholders from various areas of the local school administrative unit, including curriculum leaders, teachers, administrators, representatives from technology services and instructional technology, and finance, as well as other departments of the unit as required. In addition, the local board is encouraged to coordinate its planning with other agencies of State and local government, including other local school administrative units.

~~The Office of Information Technology Services shall assist the local boards of education in developing the parts of the plan related to its technological aspects, to the extent that resources~~

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~~are available to do so.~~ The Department of Public Instruction shall assist the local boards of education in developing the instructional and technological aspects of the plan.

Each local board of education shall submit the local plan it develops to ~~the Office of Information Technology Services~~ the Department of Public Instruction for its evaluation of the parts of the plan related to its technological aspects and ~~to the Department of Public Instruction for its evaluation of the technological and instructional aspects of the plan.~~ The State Board of Education, after consideration of the evaluations of the ~~Office of Information Technology Services and the Department of Public Instruction,~~ shall approve all local plans that comply with the requirements of the State school technology plan.

(b) After a local school system technology plan is approved by the State Board of Education, all State funds spent by the local board of education for any aspect of school technology shall be used to implement the local school system technology plan.

(c) ~~After a local school system technology plan is approved by the State Board of Education, the local board of education may use funds in the State School Technology Fund~~ dollars that are allocated to the local school administrative unit to implement the plan. plan shall not be expended until the plan has been approved by the State Board of Education.

"§ 115C-102.6D. Establishment of the State School Technology Fund; allocation and use of funds.

(a) There is established under the control and direction of the State Board of Education the State School Technology Fund. This fund shall be a nonreverting special revenue fund consisting of any monies appropriated to it by the General Assembly and any monies credited to it under G.S. 20-81.12 from the sale of School Technology special license plates.

(b) Funds in the State School Technology Fund shall be allocated to local school administrative units as directed by the General Assembly. Funds allocated to each local school administrative unit shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3.

~~(c) Each local school administrative unit with a local school system technology plan approved by the State Board of Education may use funds allocated to it to implement its local plan or as otherwise specified by the General Assembly.~~

(d) No local school administrative unit may access technology-related funds until the State Board of Education has approved its school technology plan.

"§ 115C-102.7. Monitoring and evaluation of State and local school system technology plans; reports.

(a) ~~The Commission~~ Department of Public Instruction shall monitor and evaluate the development and implementation of the State and local school system technology plans. The evaluation shall consider the effects of technology on student learning, the effects of technology on students' workforce readiness, the effects of technology on teacher productivity, and the cost-effectiveness of the technology.

(a1) Repealed by Session Laws 1997-18, s. 15(k).

~~(b) The Commission shall provide notice of meetings, copies of minutes, and periodic briefings to the Office of Information Technology Services.~~

(c) The Department of Public Instruction shall randomly check local school system technology plans to ensure that local school administrative units are implementing their plans as approved. The Department shall report to the State Board of Education ~~and the State Chief Information Officer~~ on which local school administrative units are not complying with their plans. The report shall include the reasons these local school administrative units are out of

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compliance and a recommended plan of action to support each of these local school administrative units in carrying out their plans."

ACCESS TO NCVPS AND LEARN AND EARN ONLINE

SECTION 7.33. Notwithstanding section 7.10(j) of this act, the State Board shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division prior to December 1, 2009, on (i) its policy regarding access for nonpublic school children to the North Carolina Virtual Public School (NCVPS) Program and Learn and Earn Online and (ii) funding sources it authorizes, including tuition, for nonpublic school students in the programs.

ABOLISH COMPUTER LOAN REVOLVING FUND

SECTION 7.36.(a) Article 32B of Chapter 115C of the General Statutes is repealed.

SECTION 7.36.(b) The State Controller shall transfer the fund balance from the Computer Loan Revolving Fund to Nontax Budget Code 19978 (Intra State Transfers) to support General Fund appropriations for the 2009-2010 fiscal year.

LEARN AND EARN ONLINE FUNDS

SECTION 8.6.(a) Community college student enrollments in Learn and Earn Online shall be considered regular budget full-time equivalent in the curriculum enrollment formula regardless of the term during which the instruction is provided. The North Carolina Community College System may only seek reimbursement from the Department of Public Instruction for technology, course fees, and textbooks required for course participation.

SECTION 8.6.(b) The Office of State Budget and Management shall transfer sufficient funds from the State Public School Fund to the Community Colleges System Office to implement subsection (b) of this section.

CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

SECTION 8.7.(a) Funds appropriated in this act to the Community Colleges System Office for the College Information System shall not revert at the end of the 2008-2009 fiscal year but shall remain available until expended. These funds may be used to purchase periodic system upgrades.

SECTION 8.7.(b) Notwithstanding G.S. 143C-6-4, the Community Colleges System Office may, subject to the approval of the Office of State Budget and Management and in consultation with the Office of Information Technology Services, use funds appropriated in this act for the College Information System to create a maximum of three positions if doing so is cost-effective. Personnel positions created pursuant to this subsection shall be dedicated to maintaining and administering information technology and software upgrades to the College Information System.

SECTION 8.7.(c) Subsection (a) of this section becomes effective July 1, 2009